

Message Text

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46

ACTION XMB-07

INFO OCT-01 NEA-10 ADP-00 SCEM-02 COME-00 INT-08 AID-20

EB-11 NSC-10 RSC-01 CIEP-02 TRSE-00 SS-15 STR-08

OMB-01 CEA-02 SSO-00 NSCE-00 L-03 INRE-00 CIAE-00

INR-10 NSAE-00 RSR-01 /112 W
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O 291121Z AUG 73

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC IMMEDIATE 3636

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FOR CHAIRMAN KEARNS EX/IMBANK

E.O. 11652: N/A

TAGS: ENRG, IR

SUBJ: TRANSCO GAS PROJECT

1. NIGC (MOSSADEGHI) HAS ADDRESSED FOLLOWING LETTER TO DON WILLHELM, PRESIDENT, TRANSCONTINENTAL ENERGY COMPANY, IN EFFORT TO SEEK CLARIFICATION POINTS OF APPARENT MISUNDERSTANDING BETWEEN EX/IM, TRANSCO, AND NIGC.

2. LETTER FOLLOWS: QUOTE DEAR MR WILLHELM, THIS IS TO INFORM YOU THAT MY UNDERSTANDINGS OF THE EXIM BANK REQUIREMENTS FOR THE LOANS ON GACH-SARAN/KHARG PROJECT ARE AS FOLLOWS:- A. NIOC AND MINISTRY OF FINANCE TO GUARANTEE THE SUPPLY OF GAS. B. GUARANTEE OF THE IMPERIAL GOVERNMENT OF IRAN ON NON-EXPROPRIATION. C. GUARANTEE OF 'TAKE OR PAY' FOR THE AVAILABLE PRODUCTS BY THE BUYERS ACCORDING TO PREDETERMINED DELIVERY SCHEDULE.

PARA. I HAVE ARRIVED AT THE ABOVE UNDERSTANDING THROUGH SERIES OF MEETINGS AND DISCUSSIONS I HAVE HAD WITH EXIM BANK AUTHORITIES AS WELL AS OTHER COMMUNICATIONS WHICH ARE AVAILABLE IN OUR MINISTRY OF FINANCE.

PARA. FOLLOWINGS ARE THE LIST OF DIFFERENT MEETINGS AND COMMUN-
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ICATIONS RELATED TO EXIM BANK REQUIREMENTS GIVEN ABOVE:- 1. DIS-

CUSSIONS BETWEEN MR H KEARNS AND MYSELF IN TEHRAN ON 11TH NOVEMBER 1972. 2. DISCUSSION WITH MESSRS HOUSTON AND NORRIS IN WASHINGTON WITH THE PRESENCE OF MR V C GEORGESCU. 3. DISCUSSION WITH MR D BOSTWICK IN TEHRAN ON 22ND JULY 1973 IN MY OFFICE. 4. LETTER DATED 27TH JULY 1973 ADDRESSED TO HIM SHAHANSHAH BY MR KEARNS. 5. TELEX REPLY OF OUR MINISTER OF FINANCE TO MR KEARNS CONFIRMING THAT ITEMS (A) AND (B) ABOVE ARE AGREEABLE BY IMPERIAL GOVERNMENT OF IRAN (IN REPLY TO MR KEARNS LETTER ADDRESSED TO HIM SHAHANSHAH). 6. TELEPHONE CONVERSATION OF H.E. DR JAHANGIR AMUZEGAR WITH MR KEARNS ON MONDAY 27TH AUGUST 1973. 7. TELEX FROM MR KEARNS TO H.E. DR JAHANGIR AMUZEGAR CONFIRMING THAT GUARANTEES OF LOAN REPAYMENT IS NOT REQUIRED FROM IRANIAN GOVERNMENT.

PARA. I WOULD LIKE TO REQUEST YOU TO TAKE UP THE MATTER AGAIN WITH EXIM BANK AUTHORITIES TO CLARIFY THE EXACT REQUIREMENTS OF EXIM BANK ON LOANS TO BE EXTENDED FOR GACH-SARAN/KHARG PROJECT. MEANWHILE, MR TAVANA OUR PROJECT MANAGER WILL ACCOMPANY YOU IN YOUR MEETINGS WITH EXIM BANK FOR NECESSARY VERIFICATIONS OF THE ABOVE LISTED ITEMS.

PARA. WE LIKE TO EXPRESS THAT WE HAVE EXAMINED YOUR PROPOSED METHANOL PROJECT AND STUDIES YOU HAVE CONDUCTED WHICH I AM IN AGREEMENT WITH. I HOPE, THAT, AS SOON AS THE QUESTION OF LOAN AND PROJECT FINANCING ARE SETTLED EVEN FOR THE FIRST PHASE (NGL PORTION) YOU WILL BE READY TO SIGN PARTICIPATION AGREEMENT TO PROCEED WITH THE PROJECT IMPLEMENTATION WITHOUT UNDUE DELAYS. YOURS SINCERELY, UNQUOTE

3. UNDERSTAND TRANSCO HAS MEETING WITH YOU ON FRIDAY, AUGUST 31 AND FOREGOING LETTER WILL BE POINT OF DEPARTURE FOR TRANSCO DISCUSSIONS. MAJOR CONFUSION HERE APPARENTLY IS FULL DEFINITION OF QUOTE TAKEP4 0-6 7,17953.

5. TRANSCO PREPARED TO APPLY FOR PRELIMINARY COMMITMENT AS SOON AS POSSIBLE AFTER FRIDAY MEETING, ASSUMING DISCUSSION THESE POINTS PERMITS. HECK

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Disposition Date: 28 MAY 2004
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Disposition Reason:
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